

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3255

ANSWERED ON:08.12.2000

SHORTAGE OF SMALL DENOMINATION NOTES AND COINS .

SHANKERSINH VAGHELA

Will the Minister of FINANCE be pleased to state:

(a) whether the Government are aware that there is acute shortage of small change like Re.1, Rs.2 and Rs.5 denominations of coins in Gujarat;

(b) if so, the reasons therefor;

(c) whether plastic money culture had entered in the absence of actual currency; and

(d) if so, the steps taken by the Government to tackle shortage of small currency Notes and Coins in the country, particularly in the State of Gujarat?

Answer

Minister of State in the Ministry of Finance(Shri Balasaheb Vikhe Patil)

(a)&(b): There is no acute shortage of coins in Gujarat. However, the coins supply is inadequate vis-à-vis demand for rupee coins of one, two and five in Gujarat as in other parts of the country. This is due to limited production capacity of the Mints.

(c): No, Sir.

(d): Currency notes in the denomination of rupee one, two and five are no longer printed and the notes already in circulation will get replaced by coins. The Government Mints are being modernised to increase their production capacity. As a short-term measure, Government is importing coins to improve the availability of coins to the public.